

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 SS-14 SAB-01 SP-02 L-01 PM-03
INR-05 SSO-00 INRE-00 EB-04 IO-06 /047 W
-----112904 082320Z /72-61
O 082126Z JUL 77
FM AMEMBASSY PANAMA
TO SECSTATE WASHDC IMMEDIATE 2705

C O N F I D E N T I A L SECTION 1 OF 2 PANAMA 4929

STADIS/////////
LIMDIS

EO 11652: GDS
TAGS: PBOR, MILI, PN, PQ
SUBJECT: TREATY NEGOTIATIONS - LANDS AND WATERS; GN PARTICIPATION

REF: A. PANAMA 4676; B. PANAMA 4806

SUMMARY: ON JUNE 30, NATIONAL GUARD (GN) LTC CONTRERAS OUTLINED AND JUSTIFIED TO MILGROUP AND SOUTHCOM OFFICERS A PANAMANIAN MILITARY LANDS AND WATERS POSITION WHICH HE EXPECTED TO TAKE TO WASHINGTON. MILGROUP OFFICER FELT CONTRERAS OBVIOUSLY HAS HIS MARCHING ORDERS AND WANTED TO CONVEY THEM CLEARLY TO U.S. CIVILIAN MEMBERS OF GOP TECHNICAL TEAM TELL US GN DESIRES CONTACT WITH US MILITARY OFFICIALS WHO WILL BE DIRECTLY INVOLVED IN JOINT DEFENSE. THEY STRESS IMPORTANCE US SHOULD ATTACH TO THIS FIRST DIRECT INVOLVEMENT OF GN IN NEGOTIATIONS, BUT NOTE ALSO A PERCEPTION ON THEIR SIDE THAT US IS NOW SEEKING TO BLOCK SUCH INVOLVEMENT. THIS, THEY FEEL, WILL BE FRUITLESS AND COULD EMBITTER THE GENERAL STAFF. END SUMMARY.

1. ON JUNE 30, LTC SCHATZMAN OF MILGROUP AND COL. WALLER OF SOUTHCOM MET WITH GN G-3 LTC CONTRERAS AND LT. DEL RIO AT CONTRERAS' OFFICE. MEETING WAS ARRANGED AT CONTRERAS' INITIATIVE AFTER WALLER ACCOMPANIED LANDS
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AND WATERS TECHNICAL GROUP OF WEDNESDAY, JUNE 29 (REF B). NO US CIVILIANS WERE PRESENT. FOLLOWING ACCOUNT WAS PROVIDED TO EMBASSY BY WALLER AND SCHATZMAN, AND HAS BEEN REVIEWED BY LTC SCHATZMAN. IF DESIRED BY DEPT, DEPT MAY DELETE STADIS CAPTION AFTER RECEIPT TO DISCUSS THIS SUBJECT FURTHER WITH USCINCSO AND WALLER, WHO ARE IN WASHINGTON.

2. CONTRERAS SAID HE WANTED TO OUTLINE THE NEW PANAM-
ANIAN LANDS AND WATERS POSITION WHICH HE WOULD TAKE
TO WASHINGTON (REF A); HE WANTED US OFFICERS TO FULLY
UNDERSTAND POSITION AND REASONS FOR NEW DEMANDS. NEW
POSITION INCLUDES FOLLOWING CHANGES FROM LATEST DISCUSS-
IONS OF LANDS AND WATERS TECHNICAL GROUP:

A. GENERAL OBSERVATIONS: 1) PANAMA DISTRUSTS
UNSPECIFIED DATES; IT HAD HAD BAD EXPERIENCES WITH
PREVIOUS US ADMINISTRATIONS AND THEREFORE WANTED
SPECIFIC DATES FOR ALL AREAS TO BE RETURNED DURING
TREATY PERIOD. THIS REFERRED SPECIFICALLY TO FT.
CLAYTON (CHIVA CHIVA) TRAINING AREA AND FT. GULICK.
2) MOUNTAINOUS AND WOODED TERRAIN MEANT "NOTHING"--
PANAMA NEEDED BUILDINGS AND DEVELOPED AREAS TO
DEMONSTRATE SUCCESS OF ITS TREATY EFFORT TO PANAMANIAN.
3) TORRIJOS MUST "SELL" TREATY TO HIS PEOPLE JUST AS
US MUST SELL IT TO SENATE.
B. FT. AMADOR, INCLUDING NAVY PORTION: TO REVERT
TO PANAMA ON EFFECTIVE DATE OF TREATY. PANAMA WILL
STATION FIRST BATTALION (APPROX. 800 MEN), THEIR
INITIAL COMBINED DEFENSE BATTALION, THERE. PANAMA
WANTS NO JOINT USE OF ANY FACILITY ON AMADOR RESERVATION.
C. CURUNDU HEIGHTS AND CURUNDU FLATS HOUSING,
CURUNDU ANTENNA FIELD: TO REVERT TO PANAMA ON EFFECTIVE
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DATE OF TREATY. QUARTERS WERE TOO VIVID A CONTRAST
WITH ADJACENT DOWNTOWN SLUMS, HENCE WERE AN IRRITANT.
ANTENNA FIELD LANDS WOULD BE NEEDED TO SHOW TREATY
GAINS TO UNIVERSITY STUDENTS.

D. ALBROOK: QUARTERS AREA ON AIRFIELD SIDE OF
CANFIELD AVENUE AND ALL INSTALLATIONS ON AIRFIELD SIDE
OF CANFIELD AVENUE EXCEPT THOSE BUILDINGS USED BY
IAAFA, TO REVERT TO PANAMA ON EFFECTIVE DATE OF TREATY.
CONTRERAS WAS "DISTRESSED" ABOUT FLIGHT LIMITATIONS
WHICH WOULD APPLY TO PANAMANIAN USE OF ALBROOK, BUT
SAID THAT AT LEAST FAP HELICOPTERS WOULD OPERATE FROM
THERE.

E. COCO SOLO HOSPITAL, FAA COCO SOLO HOUSING (5 HOUSES)
AND CRISTOBAL (COCO SOLO) HIGH SCHOOL: TO REVERT
TO PANAMA ON EFFECTIVE DATE OF TREATY. GN WOULD BE UNABLE TO
CONTROL OR EXPLAIN PRESENCE OF SUCH ISOLATED US ENCLAVES
IN MIDST OF AN AREA RETURNED TO PANAMA. PANAMA WAS NOT
INTERESTED IN FAA HOUSES, FOR INSTANCE, BUT RATHER WANTED
TO AVOID SITUATION WHERE "STUDENTS WOULD BE THROWING BOMBS
AT COCO SOLO HOSPITAL".

F. FT. DAVIS: PLANNED HOME STATION FOR SECOND GN
BATTALION, TO BE ACTIVATED IN 1980. ACCORDINGLY, TO

REVERT TO PANAMA BY THAT DATE.

G. HOWARD-KOBBE: ALL BEACHES (KOBBE AND FARFAN)
EXCEPT STRETCH SOUTH OF HOWARD AFB ACTIVE RUNWAY TO
REVERT TO PANAMA ON EFFECTIVE DATE OF TREATY. US DOES
NOT NEED THESE BEACHES, THEY ARE OF LITTLE IMPORTANCE
AND OF NO DEFENSE VALUE. THEY HAVE, HOWEVER, GREAT
SYMBOLIC VALUE TO POOR IN PANAMA SLUMS. TORRIJOS WANTS
TO BE ABLE TO TELL THOSE PEOPLE THAT THEY CAN NOW CROSS
"THEIR" BRIDGE AND TRAVEL ON "THEIR" ROAD TO USE "THEIR"
BEACHES WITH NO INTERFERENCE FROM CANAL ZONE OR MILITARY
POLICEMEN.

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ACTION ARA-10

INFO OCT-01 ISO-00 SS-14 SAB-01 SP-02 L-01 PM-03
INR-05 INRE-00 SSO-00 EB-04 IO-06 /047 W
-----113684 082321Z /72-61

O 082126Z JUL 77

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC IMMEDIATE 2706

C O N F I D E N T I A L SECTION 2 OF 2 PANAMA 4929

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3. DURING SAME MEETING, CONTRERAS INVITED WALLER TO ACCOMPANY
HIS AERIAL INSPECTION OF ATLANTIC SIDE FACILITIES (REF B). WHEN
REMINDED THAT DEPARTMENT OF STATE NORMALLY HANDLED MATTERS
RELATED TO TREATY NEGOTIATIONS FOR USG, CONTRERAS REPEATED THAT
THERE WAS ROOM FOR ONLY ONE US REPRESENTATIVE ON THE FAP
HELICOPTER AND HE WANTED WALLER.

4. MILGROUP OFFICER SCHATZMAN, WHO KNOW CONTRERAS WELL,
FOUND HIM A LITTLE BOMBASTIC, MORE MELODRAMATIC THAN USUAL,
DURING THIS CONVERSATION, AND SPECULATES THAT THIS MAY HAVE BEEN
BECAUSE HE HAD NOT DEALT WITH WALLER BEFORE AND WANTED TO
IMPRESS HIM WITH SERIOUSNESS OF PANAMA'S DEMANDS. SCHATZMAN
ALSO CONSIDERS, HOWEVER, THAT CONTRERAS OBVIOUSLY HAD HIS MARCHING
ORDERS AND WANTED TO BE SURE HE CONVEYED THEM TO THE US.

5. (STRICTLY PROTECT ALL FOLLOWING OBSERVATIONS) CIVILIAN LANDS
AND WATERS TEAM MEMBERS (PARTICULARLY CANO, A WEST POINT

GRADUATE) SAYS CONTRERAS IS EVIDENTLY (TO THEM) SEEKING TO DEAL WITH "COUNTERPART" US MILITARY OFFICERS WHO WILL HAVE COMMAND AUTHORITY OVER PARTICIPATION IN JOINT DEFENSE. HE IS IMPATIENT WITH EXISTING NEGOTIATING STRUCTURE LARGELY BECAUSE HE FEELS EVEN DOD COMPONENT OF US TEAM WILL NOT BE RESPONSIBLE FOR RUNNING
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THE NEW ARRANGEMENT. IN THE PANAMANIAN CIVILIANS' VIEW, THIS ACCOUNTS FOR HIS GREETING WALLER LIKE A LONG-LOST BROTHER, FOR IN HIM CONTRERAS SEES A DIRECT CHANNEL TO USSOUTHCOM, AND FURTHER, A LESS-POLITICIZED ACCESS TO THE PENTAGON TO RESOLVE ISSUES HE REGARDS AS PROPERLY WITHIN MILITARY PURVIEW. SCHATZMAN FULLY CONCURS IN THIS INTERPREATTION.

6. THESE CIVILIANS, SEPARATELY AND TOGETHER, HAVE TOLD AMBASSADOR AND EMBOFFS ON SEVERAL OCCASIONS THAT USG MUST APPRECIATE FULL SIGNIFICANCE OF CONTRERAS' APPEARANCE ON THE SCENE. FOR FIRST TIME, GENERAL STAFF IS CONSIDERING TREATY DEFENSE ISSUES IN DETAIL, AND HAS, WITH TORRIJOS' BLESSING, PUBLICLY AUTHORIZED ONE OF ITS MEMBERS TO PARTICIPATE. FROM OUR STAND-POINT, AS THEY SEE IT, THIS HAS MIXED ASPECTS. NEGATIVELY, THEY EXPECT THE GENERAL STAFF-BLESSED POSITION TO TROUBLE US (ALTHOUGH THEY CLEARLY FEEL PERSONALLY THAT SOME POINTS CAN BE SHAKEN IF DEALT WITH CORRECTLY BY US SIDE). BUT POSITIVELY FOR US, PUBLIC GENERAL STAFF ASSOCIATION WITH THE NEGOTIATIONS IS THE BEST INSURANCE USG WOULD HAVE THAT THE RESULTS WILL NOT LATER BE DISAVOWED IF THE GENERAL STAFF DID NOT LIKE THEM OR FOUND THEM GENERATING UNACCEPTABLE DOMESTIC OPOSITION.

7. THESE CIVILIANS CAUTION THAT US NEGOTIATING TEAM IS BEGINNING TO BE PERCEIVED ON THIS SIDE AS RESISTING CONTRERAS' PARTICIPATION. THEY SPECULATE THAT US TEAM MAY THINK IT CAN RESOLVE LANDS AND AND WATERS ISSUES MORE TO ITS OWN SATISFACTION WITHOUT CONTRERAS THAN WITH HIM. IF TRUE, THEY CONSIDER THIS A MAJOR EFFORT IN JUDGEMENT. IF THE GENERAL STAFF HAS DECIDED TO PARTICIPATE, IT WILL-EFFORT BY ANYONE TO PREVENT IS DOOMED TO FAILURE. IF US TRIES TO AVOID CONTRERAS, THIS WOULD BE READ AS A SERIOUS--AND RPOBABLY DELIBERATE--EFFORT TO EMBARRASS HIM. THEIR ESTIMATE WAS THAT THIS COULD EASILY EMBITTER THE GENERAL STAFF AND SERIOUSLY COMPLICATE PROSPECTS FOR AGREEMENT ON A TREATY.
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8. MILGROUP REPORTS ENTIRE G-3 SECTION BUSILY ENGAGED IN STAFFING "JOINT DEFENSE-CONCEPT", PRESUMABLY INCLUDING LANDS AND WATERS ASPECTS. ON JULY 7, MILGROUP RECEIVED REQUEST FOR CLEARANCE FOR

A FAP HELICOPTER TO OVERFLY CANAL ZONE FOR AERIAL PHOTOGRAPHS OF CERTAIN AREAS. CIVILIANS ON TECHNICAL GROUP EXPECT TO ACCOMPANY CONTRERAS AND TRAVEL BACK TO WASHINGTON WITH REMAINDER OF PANAMANIAN TEAM FOR RESUMPTION OF TALKS JULY 11. (JULY 8 PRESS REPORTS THAT AMBASSADOR LEWIS ALSO SAID CONTRERAS WOULD BE IN WASHINGTON THEM.)

THE CIVILIANS SAY THEIR BEST INFORMATION AT PRESENT IS THAT IT IS STILL TORRIJOS' AND THE GENERAL STAFF'S INTENTION THAT WHEN THE TECHNICAL GROUPS MEET AGAIN, CONTRERAS WILL BE THERE AND, SO FAR AS MILITARY ASPECTS GO, IN THE DRIVER'S SEAT.

9. EMBASSY COMMENT FOLLOWS SEPTTEL.
JORDEN

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Message Attributes

Automatic Decaptioning: Z
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NEGOTIATIONS, MILITARY CAPABILITIES
Control Number: n/a
Copy: SINGLE
Sent Date: 08-Jul-1977 12:00:00 am
Decaption Date: 22 May 2009
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977PANAMA04929
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770243-1051
Format: TEL
From: PANAMA
Handling Restrictions:
Image Path:
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Legacy Key: link1977/newtext/t19770777/aaaacpff.tel
Line Count: 237
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: b7b08a6e-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: LIMDIS, STADIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: LIMDIS, STADIS
Reference: 77 PANAMA 4676, 77 PANAMA 4806
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1921527
Secure: OPEN
Status: NATIVE
Subject: TREATY NEGOTIATIONS - LANDS AND WATERS; GN PARTICIPATION
TAGS: PBOR, MILI, PN, PQ
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/b7b08a6e-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009